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SUBJECT: NIGERIA: PROGRESS REPORT ON THE GLOBAL FOOD SECURITY
RESPONSE

REF: STATE 55304

¶1. (U) The following is the progress report on the Global Food Security Response (GFSR) as requested by the reftel.

¶2. (U) FY 09 Supplemental resources provided to Nigeria totaled \$25 million to implement urgent action in GFSR to increase the production of rice, sorghum, cowpea, and cassava in target sites in over 12 States throughout Nigeria. Of this amount \$23 million was obligated to Chemonics Inc., \$1 million is for programming by the US Department of Agriculture Foreign Agriculture Service (FAS), and \$1 million is being used for program support and analysis. Funds that were made available to USAID Nigeria in November 2008, were obligated in December 2008 and program activities have begun on the ground in over 12 states in Nigeria.

OBLIGATION AND SUB-OBLIGATIONS (DETAILING NAMES OF CONTRACTORS AND GRANTEES) BY THE GFSR COMPONENTS

¶3. Of the \$23 million obligated to Chemonics for the Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) program, \$13.2 million is being used for subcontracts for international and local partners. The breakdown of these funds includes \$3,902,635 for Nathan Associates and \$85,556 for Booz Allen Hamilton for trade and transportation reforms. \$1,981,271 for International Institute of Tropical Agriculture (IITA) for agriculture productivity in cassava; \$2,248,564 for International Center for Soil Fertility and Agriculture Development (IFDC) and \$1,884,837 for Winrock International for productivity; \$2,000,000 for International Food Policy Research Institute (IFPRI) for food policy reforms; \$1,000,000 for International Crop Research Institute for Semi-Arid Tropics (ICRISAT) to expand the West African Seed Alliance (WASA) program; and \$100,000 for Africa Rice Center (WARDA).

PROGRESS BEING MADE ON THE TARGETS UNDER EACH COMPONENT OF THE GFSR

¶4. Progress has been made toward targets on all three components of the GFSR. Based on pre-planting and cropping activities implemented to date, USAID/Nigeria anticipates targets will be exceeded at harvest beginning the fourth quarter of FY 2009.

¶5. Increasing Agricultural Productivity: USAID/MARKETS has contracted with IFDC, IITA, WASA, and WARDA to ensure adequate access to science and technology and increase productivity of sorghum, rice, cassava, and cowpea. Twelve agro processors have also been assisted; estimated gross revenue from these efforts are anticipated to exceed \$100 million this year, and production will likely exceed 60 million metric tons (MT).

¶6. Reduced Trade, Transport, and Supply Chain Bottlenecks:

USAID/MARKETS has contracted with Booz Allen Hamilton and Nathan Associates to reduce transit times, transit costs, and link 50,000 producers with improved processing and storage opportunities. Fast-Pass Analysis has been initiated and grain storage efforts are underway. Commercial credit and smallholder financing to reduce supply chain bottlenecks is expected to exceed \$30 million. The US is in the lead of donors to support the new Government of Nigeria's Presidential customs reform initiative.

¶7. Promoting Sound Market-Based Principles: USAID/MARKETS has partnered with IFPRI to support the CAADP roundtable, develop market-based agricultural policies, and provide fact-based policy briefs to Nigerian policy makers. USAID/MARKETS has also contracted with IFDC to develop policies to facilitate market-based fertilizer supply.

¶8. USDA conducted a needs assessment on Nigeria's national agricultural statistics system. A training program and study tour is scheduled for July. USDA will also be sending two technical experts within the next two months to develop a work program to assist with the development of sound agriculture and food regulatory policies for Nigeria. This work will evaluate SPS regulatory policies and other government regulations effecting food security.

PROGRESS BEING MADE ON THE ACTIONS BEING TAKEN TO
DELIVER SERVICES FOR THIS CROPPING SEASON, E.G. SEED,
FERTILIZER AND FINANCE

¶9. USAID/MARKETS has signed agreements with private sector partners to facilitate increased production for 45,000 small holder farmers.

In rice, for example, yield increases from 1.5 MT per hectare to 5.2 MT per hectare are expected under these agreements based on previous year's performance. Financing will also be provided through private banks for approximately 50% of these beneficiaries. Signed agreements are also in place to provide 220,000 farmers with fertilizer under a voucher scheme this year.

ACTIONS BEING TAKEN TO ADVANCE THE CAADP PROCESS

¶10. USAID/MARKETS has partnered with IFPRI to support Nigeria in the CAADP. Initial stakeholder meetings are anticipated in Q3 FY09. USDA is also providing support for Nigeria to participate in the CAADP process.

ACTIONS BEING TAKEN AT POST TO COORDINATE USG
ACTIONS BEING TAKEN BY ALL AGENCIES TO IMPROVE FOOD
SECURITY

¶11. The Mission has a whole-of-government approach to economic policy work and development. Regular meetings on the process of implementation are held monthly to coordinate activities and to provide the situation update. USAID and the Embassy Economic team, Foreign Agriculture Service, and Foreign Commercial Service in Abuja and Lagos coordinate closely on policy and implementation matters. Coordination is extensive between the USG and the key Government of Nigeria institutions such as Ministry of Agriculture and Water Resources, National Food Reserve Agency, the Ministry of Commerce and Industry, Ministry of Transportation, Ministry of Finance and the National Customs Service, National Export Promotion Council, the Nigerian Export Import Banks, and the Nigerian private sector and civil society. This coordination is extended to other donors where USAID collaborates closely with the World Bank, the African Development Bank, the U.K. Department for International Development (DFID) amongst others.

¶12. The Ambassador is also taking a leadership role in ensuring implementation through a series of nation wide workshops including under the Mission's Pilot Engagement with States (PES) Initiative, which highlights this program and the work under the GFSR? In addition, she will be hosting a two day Agriculture event June 9-10 in Lagos focused on the three areas of the GFSR, which includes all Mission elements (USAID, FAS, FCS) as well as EXIM, OPIC, and

USTDA.

113. This report was coordinated with Consulate Lagos.

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